

## Message Text

CONFIDENTIAL

PAGE 01 CAIRO 05917 141240Z

47

ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 NSCE-00 /026 W

----- 044781

O 141143Z JUN 75

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC NIACT IMMEDIATE 4582

C O N F I D E N T I A L CAIRO 5917

EXDIS

E.O. 11652: NGDS

TAGS: EAID, EGEN, USEGJC

SUBJECT: EMERGENCY ASSISTANCE TO EGYPT

REF: A. STATE 139397 B. CAIRO 5909 C. CAIRO 5913

1. FOLLOWING IS EMBASSY'S COMMENT ON ANALYSIS AND CONCLUSIONS SET FORTH IN REF A.

2. PARAGRAPH 2. A. WE CONCUR THAT IT WAS NOT OUR INTENT TO USURP ARAB ROLE IN PROVIDING AID TO EGYPT. WE ALSO WANT, OF COURSE, TO GET BACK TO PREDOMINATELY PROJECT AID ASP.

3. PARAGRAPH 2. B. WHILE WE AGREE THAT CONSORTIUM CONCEPT NOT FEASIBLE, WE BELIEVE PRINCIPAL OBSTACLE IS DESIRE OF BOTH EGYPTIANS AND ARABS TO SEPARATE ARAB AID FROM OTHER AID. WE CONSIDER SUCH SEPARATENESS TO BE BAD PROPOSITION AND WE RECOMMEND THAT WE CONTINUE TO URGE BOTH TO DROP IT.

4. PARAGRAPH 2. C. WE AGREE THAT GOE HAS BEEN UNWILLING TO STATE WHAT REDUCTIONS IN IMPORTS COULD REASONABLY BE MADE, BUT BELIEVE GOE HAS BEEN CONSISTENT IN ITS POSITION THAT ITS REQUIREMENTS FOR EMERGENCY RELIEF ARE LE 1.5 BILLION RPT 1.5 BILLION. THIS FIGURE INCLUDES, AS BEST WE CAN DETERMINE, REFINANCING FOR ALL RPT ALL OUTSTANDING BANK  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 CAIRO 05917 141240Z

FACILITIES WHICH AMOUNT TO SOME LE 700 MILLION

ACCORDING TO THE OFFICIAL FOREIGN EXCHANGE BUDGET.

5. PARAGRAPH 2. D. IMF EFFORTS ARE, OF COURSE, AT IMPASSE. IBRD APPEARS LESS INSISTENT ON REDUCTION OF IMPORTS AND MORE FAVORABLY DISPOSED TOWARDS GOE EFFORTS TO REFINANCE SHORT-TERM CREDIT THAN RELATED POSITIONS TAKEN IN OUR LETTER. SEE REF B.

6. PARAGRAPH 3. WHILE GOE DID NOT OBJECT EXPLICITLY TO OUR CONSTRUCTION OF REQUIREMENTS, THEY HAVE CONSISTENTLY USED FIGURE OF LE 1.5 BILLION IN THEIR DISCUSSIONS WITH US AND HAVE NEVER BACKED AWAY FROM IT.

7. PARAGRAPH 4. FIGURE USED BY GOE AT SALZBURG WAS LE 1.5 MILLION RATHER THAN DOLLARS 1.5 BILLION. AGAIN, TO OUR KNOWLEDGE, GOE HAS CONSISTENTLY USED THIS FIGURE. WE BELIEVE BASIC DIFFERENCE IS (A) UNWILLINGNESS OF GOE AT LEAST FOR BARGAINING PURPOSES, TO REDUCE PROJECTED IMPORT LEVELS, AND (B) GOE DESIRE TO REFINANCE OUTSTANDING SHORT-TERM CREDITS.

8. PARAGRAPH 5. AS EVIDENT IN REF C, ABU ISMAIL'S RESPONSE TO DRAFT LETTER HAS FURTHER MUDDIED THE WATER. WE PRESUME COMMITMENT CITED REFERS TO ACCEPTANCE OF FIGURE OF DOLLARS 1.5 BILLION AS BASIC REQUIREMENT. SINCE THAT FIGURE CONTINUED TO DIFFER GREATLY FROM GOE POSITION, WE DO NOT INTEND RAISE ACCEPTANCE ISSUE WITH ABU ISMAIL IN ANY WAY PENDING RECEIPT FURTHER INSTRUCTIONS.

9. PARAGRAPH 6 WE AGREE FULLY WITH CONCEPTUAL VIEWS ON RELATIONSHIPS BETWEEN ARAB AND OTHER AID, PARTICULARLY THE CONCLUSION THAT WE SHOULD NOT RPT NOT HAVE SEPARATE TARGETS AND FUND-RAISING EFFORTS FOR EACH SIDE. HOWEVER, DISCUSSION OF MAGNITUDE OF TOTAL PACKAGE AND IMPLICATIONS THEREOF MUST AWAIT FURTHER CLARIFICATION OF DIFFERENCE BETWEEN FIGURE OF DOLLARS 1.5 BILLION USED IN SUBJECT CABLE AND OF LE 1.5 BILLION CONSISTENTLY USED BY GOE.

EILTS

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 CAIRO 05917 141240Z

CONFIDENTIAL

NNN



## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC ASSISTANCE, FINANCIAL CONTRIBUTIONS, FOREIGN EXCHANGE, BALANCE OF PAYMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 14 JUN 1975  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** CunninFX  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975CAIRO05917  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** HO FOR DG NGDS EXDIS  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D750208-0407  
**From:** CAIRO  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750648/aaaabrlz.tel  
**Line Count:** 107  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION SS  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** EXDIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** EXDIS  
**Reference:** 75 STATE 139397, 75 CAIRO 5909, 75 CAIRO 5913  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** CunninFX  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 09 APR 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <09 APR 2003 by ElyME>; APPROVED <22 SEP 2003 by CunninFX>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** EMERGENCY ASSISTANCE TO EGYPT  
**TAGS:** EAID, EGEN, EG, US, USEGJC  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006